

8 May 2019

Scoping Studies Confirm Substantial Potential Returns from Scandinavian Vanadium Projects

Highlights

- Scoping Studies for the Airijoki (Sweden) and Koitelainen (Finland) Vanadium Projects have confirmed the potential of the projects to deliver significant value for shareholders
- The Scoping Studies assessed the potential for both Airijoki and Koitelainen to be initially developed as mining operations producing high-grade vanadium magnetite concentrates for sale to global markets (Phase One).
- This project development approach of a Phase One project producing vanadium magnetite concentrate has the advantage of significantly lower initial pre-production capital expenditure requirements and shorter time frames to production
- Both Airijoki and Koitelainen have the potential to be financially robust as operations initially producing high-grade vanadium magnetite concentrates
- Further upside for Pursuit's portfolio may come from a second phase of development involving construction of a centralised vanadium magnetite concentrate processing facility to produce V₂O₅ flake (Phase Two)
- Pursuit will initially focus on the rapid advancement of the Airijoki project by completing metallurgical test work in May, which will then provide sufficient information for Pursuit to initiate discussions with potential offtake partners for the magnetite concentrate
- Pursuit also plans to commence an infill drilling program in September, to upgrade the mineral resource to JORC Indicated and Measured status in order to underpin a Definitive Feasibility Study
- A drilling program is planned for the Koitelainen Project in December 2019 to provide additional samples for metallurgical test work and to explore probable extensions to the Koitelainen Inferred Mineral Resource
- Pursuit is considering potential strategic partners who have the capability to provide technical and financial resources to progress both Airijoki and Koitelainen through their next stages of development

Pursuit Minerals Limited (ASX: PUR) has received very encouraging results from Scoping Studies conducted to assess the economics of the Airijoki (Sweden) and the Koitelainen (Finland) vanadium projects. The Scoping Studies were conducted on the basis of assessing the economics of producing high-grade vanadium magnetite concentrates from both projects and then selling those concentrates to global markets, as the first phase of project development. Both Scoping Studies indicate that this approach, designed to reduce up front capital costs and decrease the time taken to get the projects into production, has the potential to deliver strong project returns.

Scoping Study – Cautionary Statements

The Scoping Studies referred to in this announcement have been conducted for the purpose of assessing the economics of producing high-grade vanadium magnetite concentrates and then selling those concentrates to global markets. It is a preliminary technical and economic study of the potential viability of the Airijoki and Koitelainen Projects. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further exploration and evaluation studies are required before Pursuit will be in a position to estimate any ore reserves or to provide any assurance of an economic development. The Scoping Study is based on the material assumptions outlined in this announcement. Having regard to ASX Listing Rules Guidance Note 31 Reporting on Mining Activities, the Company does not disclose in this announcement any production targets, forecast financial information or income-based valuations relating to the Scoping Study, but instead the Company discloses appropriate information of a technical nature to ensure the market is informed of the Company's prospects. Accordingly, the Company hereby makes certain aspirational statements and discloses the elements of the Scoping Study that do not contain production targets.

The Scoping Study is based on the Inferred Mineral Resources for the Airijoki and Koitelainen Projects. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the determination of Indicated or Measured Mineral Resources in accordance with JORC (2012).

To achieve the range of outcomes indicated, there would be a requirement for the Company to raise significant additional funding to support the development of the Airijoki and Koitelainen Projects. Investors should note that there is no certainty that Pursuit will be able to raise that funding when required. It is also possible that such funding may only be available on terms that may be dilutive or otherwise affect the value of Pursuit's existing shares. It is also possible that Pursuit could pursue other value realisation strategies such as a sale or partial sale of its interests in the Airijoki and/or Koitelainen Projects which could materially reduce Pursuit's proportionate interests in the Koitelainen and/or Airijoki Projects.

The Scoping Study is based on the material assumptions outlined within this Announcement. While the Company considers that all material assumptions are based upon reasonable grounds, a number of factors could cause actual results or expectations to differ materially from those assumptions.

Commentary on Scoping Studies

Pursuit Managing Director Jeremy Read said the Scoping Studies generated positive results based on a variety of commodity prices and processing scenarios.

"With the Airijoki Project in Sweden we are now confident that we have a project with the potential to generate strong returns based on reasonable assumptions of long-term vanadium prices and cost inputs, as well as conservative capital costs," he said.

Figure One - Pursuit's Portfolio of Vanadium Projects



"Airijoki is clearly a project with excellent fundamentals. It is a relatively high-grade deposit, has the potential to be mineable with a low strip ratio, has excellent access to services and infrastructure in a first-class mining jurisdiction and with easy access to global markets.

"By starting with a project that simply produces vanadium magnetite concentrate for sale, rather than constructing a plant for production of V_2O_5 flake, we can significantly reduce pre-production capital costs, simplify funding requirements and generate earlier access to cashflows.

“Once we are in production, we can then look to a second phase development, where we construct downstream processing facilities to process concentrates from Airijoki and Koitelainen to produce V_2O_5 flake.

“We are delighted with the rapid progress we are making, and the results of the Scoping Studies give us great confidence in the potential for the projects to generate excellent shareholder returns.

“We are now considering potential strategic partners to join with us to undertake a Definitive Feasibility Study on the Airijoki project and move both projects through to their next stages of development,” he said.

Airijoki Scoping Study - Sweden

The Scoping Study determined that the project generates excellent returns from the planned mining project. The conceptual modelling for the Airijoki project assumed four open pits would produce high-grade vanadium magnetite concentrate, which would be transported to Rotterdam for sale to international markets.

The Scoping Study was based on the Inferred Mineral Resource announced for the Airijoki project in March 2019. The Resource consists of four Zones (A to D) and totalled 44.3 million tonnes, at in-situ grade of 0.4% V_2O_5 , containing 5.9 million tonnes of magnetite @ 1.7% V_2O_5 (in magnetite concentrate), for 100,800 tonnes of V_2O_5 based on 13.3% mass recovery of magnetite concentrate and a cut-off of 0.7% V^1 .

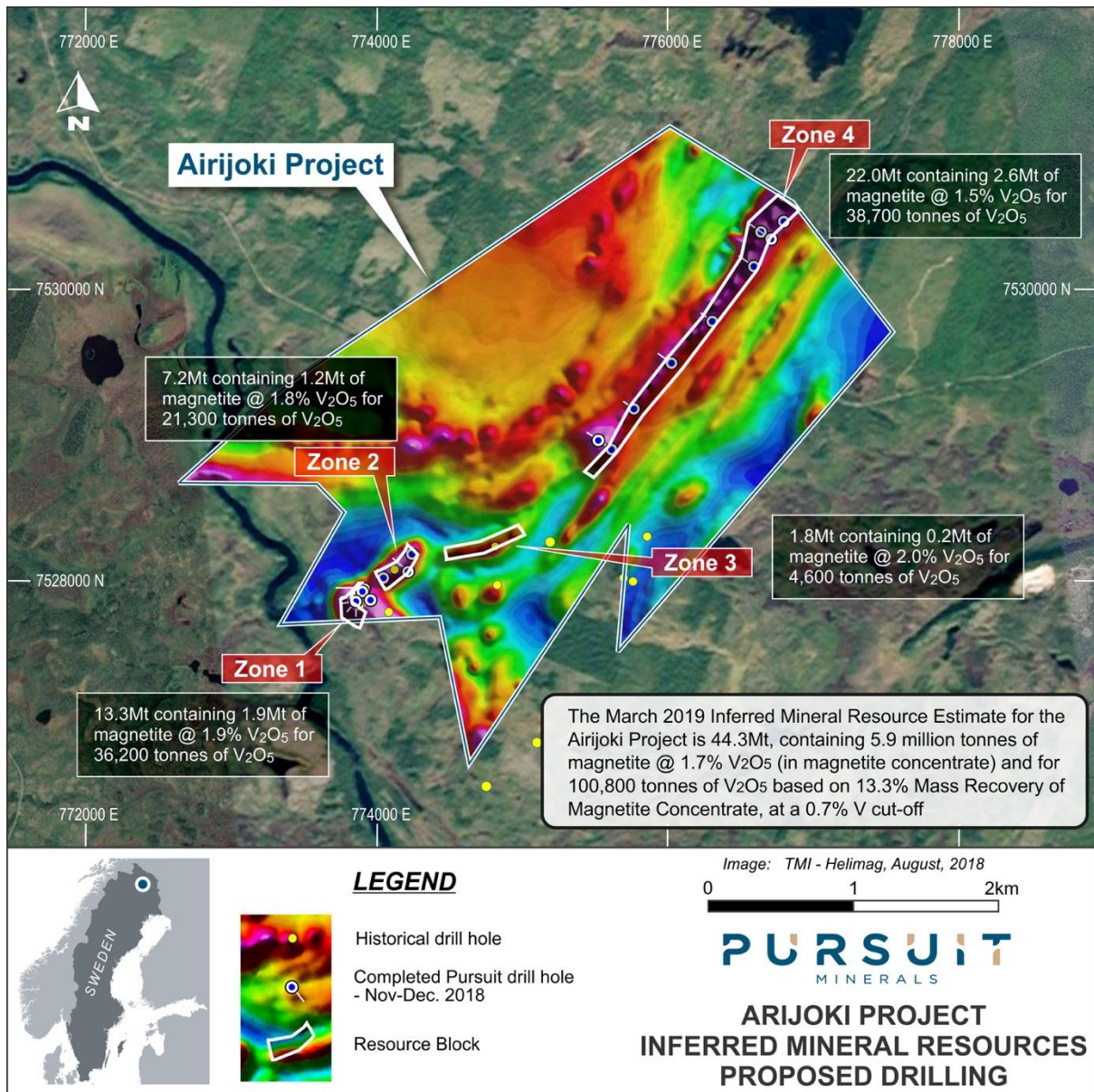
Engineering group SRK was retained to undertake the Airijoki Scoping Study and ALS Metallurgical Services was retained to undertake metallurgical tests with the objective of determining ways to further increase the mass recovery and overall recovery of vanadium into a vanadium magnetite concentrate.

The metallurgical test work increased mass recoveries significantly by simply increasing the crushing size of the ore to 355 microns from 106 microns. For three holes tested from the Airijoki Project, the average mass recovery was increased from 13% to 18.3%. Additional metallurgical test work has since been conducted involving Low Intensity Magnetic Separation (LIMS) which further increased the average mass recovery to 22.2%. The Airijoki metallurgical test work program is ongoing. The results received to date were incorporated into the Scoping Study.

The Scoping Study focussed on mining vanadium mineralisation hosted in a meta-dolerite unit from four open pits on Zones 1 – 4 of the Airijoki Inferred Mineral Resource (Figure Two). Mining would be based upon bulk open pit mining techniques using standard drill and blast, load, haul and crusher feed, followed by magnetic separation to produce a vanadium magnetite concentrate.

¹See Pursuit Minerals ASX Announcement 8 March 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Figure Two – Airijoki Project Inferred Mineral Resources



Lower grade material would be stockpiled. Waste material would be stockpiled adjacent to the planned open pits and tailings would be contained within a tailing management facility.

Pre-production capital costs were estimated by benchmarking the Airijoki project against similar projects globally from SRK's database of recent project work.

The Airijoki Scoping Study was based on following parameters:

Item	Value
Target average grade of vanadium magnetite concentrate	1.6% V ₂ O ₅
Magnetite concentrate mass recovery rate	21%
Royalty	0.15% of revenue to the landowner, 0.05% of revenue to the government

Planning is also under way for an infill drilling program to commence in September 2019, consisting of 68 drill holes for 9,445m, to convert the Inferred Mineral Resource into 70% JORC Indicated and 30% JORC Measured. This drilling program will represent the commencement of a Definitive Feasibility Study (DFS) for Airijoki due for completion in the second half of 2020. Prior to the infill drilling program, Pursuit will undertake discussions with potential strategic partners to provide technical and financial capability to assist with the DFS.

The ongoing metallurgical test work is focussed on refining processing parameters to further increase mass and vanadium recovery rates, which will have positive effects on the Airijoki project economics. Final metallurgical test results are due by the end of May. Completing the test work will provide sufficient information to allow Pursuit to initiate discussions with potential offtake partners. In addition, Pursuit will engage with vanadium smelters and steel manufacturers to increase confidence in revenue assumptions for the sale of the vanadium magnetite concentrate.

The Airijoki project is located in an area of northern Sweden that is well serviced by infrastructure, due to the mining industry being active for over 100 years in this region. Power lines run just 2km east of the Airijoki Mineral Resource, and the project is reached by a short 2km drive along an established dirt road. The village of Vittangi lies 10km to the south and it is situated on the main access road to the large mining centre of Kiruna, which is a 74km drive along the E45 and E10 highways to the west. Kiruna is a major mining services hub due to the presence of a large underground iron ore mine which has been in production for approximately 120 years.

Rail services can be accessed at Svappavaara, which is reached via a 40km drive along tarmac roads from Airijoki. The railway runs from Svappavaara through Kiruna and down to the port of Narvik on the Norwegian coast - a distance of approximately 220km.

In order to rapidly progress the Airijoki Project, Pursuit has engaged with the local reindeer herding co-operative for the region. The late 2018 drilling program was undertaken such that it would not inhibit the reindeer migration from summer to winter grazing lands which occurs at the start of December. Prior to each work program being undertaken at Airijoki, approval is required from the County Administration Board. Affected parties, including the reindeer herding co-operative, have the ability to provide feedback on each proposed work program. In addition, Pursuit maintains a regular dialog with the key members of the reindeer herding co-operative to keep the community up to date with plans and activities. Regular update meetings are also held with the Bergsstaten (Swedish Mines Department), to brief them on recent results and the overall development concept. To date, Pursuit's plans have been well received, as the Swedish government is encouraging the development of a vanadium mining and processing industry.

The Airijoki Inferred Mineral Resources are contained within Exploration Licence Airijoki Nr 100 which is valid until 20 June 2021 and can be renewed for a further 3 years.

As part of the economic assessment of the Project, a series of sensitivity analyses were undertaken to assess the effect of fluctuations in mass recoveries, metal pricing, capital costs and operating costs. The results indicated that the Project is most sensitive to metal pricing and mass recoveries.

Taking into consideration the inclusion of Inferred Resources, uncertainty over future pricing environments and the likely variability in material assumptions supporting the Study, the Company has taken a conservative approach with the inputs to the study and the disclosure of results. Considering the above and the guidance provided by ASX Guidance Note 31, the Company is unable to report production targets or financial metrics such as internal rates of return, net present values or net cash flows at this time.

However, the Board of Pursuit is sufficiently confident in the results of the Airijoki Scoping Study to commence discussions with potential strategic partners prior to the DFS commencing with the drilling program planned for September 2019.

Koitelainen Scoping Study - Finland

Pursuit has also received very encouraging results from a Scoping Study of the Koitelainen vanadium project in Finland. The scoping study was based on the Inferred Mineral Resource declared for the Koitelainen project in February 2019. The Resource totals 116.4Mt, at in-situ grade of 0.3% V₂O₅, containing 5.8 million tonnes of magnetite @ 2.3% V₂O₅ (in magnetite concentrate), for 131,000 tonnes of V₂O₅ based on 5.0% Mass Recovery of magnetite concentrate and a cut-off of 0.5% V².

Engineering group SRK was retained to undertake the Koitelainen Scoping Study and ALS Metallurgical Services was retained to undertake metallurgical tests with the objective of determining ways to further increase the mass recovery and overall recovery of vanadium into a vanadium magnetite concentrate.

Metallurgical test work completed to date showed mass recoveries increased significantly by simply increasing the crushing size of the ore to 355 microns from 106 microns. For three holes tested from the Koitelainen Project, the average mass recovery was increased from 5.3% to 8.8%³.

²See Pursuit Minerals ASX Announcement 6 February 2019.

³See Pursuit Minerals ASX Announcement 9 April 2019.

The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

and there is now insufficient material to complete further testing. Pursuit must therefore undertake its own drilling to provide samples for the test work program. This drilling program is scheduled to commence in December 2019, subject to the grant of the Koitelainen Exploration Licence which was applied for in October 2018.

Completing the test work will provide sufficient information to allow Pursuit to initiate discussions with potential offtake partners. In addition, Pursuit will engage with vanadium smelters and steel manufacturers to increase confidence in revenue assumptions for the sale of the vanadium magnetite concentrate.

In addition to providing samples for completion of the metallurgical test work program, the drilling program will test the extensions of the D Zone Mineral Resource at the Koitelainen Vosa Prospect.

The Scoping Study focussed on mining vanadium mineralisation hosted in a magnetite gabbro unit from Zones C and D of the Koitelainen Inferred Mineral Resource (Figure Three). Mining would be based upon bulk mining techniques using standard drill and blast, load, haul and crusher feed, followed by magnetic separation to produce a vanadium magnetite concentrate. Lower grade material would be stockpiled. Waste material would be stockpiled adjacent to the planned open pits and tailings would be contained within a tailing's management facility.

The Koitelainen Scoping Study was based on following parameters:

Item	Value
Target average grade of vanadium magnetite concentrate	2.5% V ₂ O ₅
Magnetite concentrate mass recovery rate	8%
Royalty	0.15% of revenue to the landowner

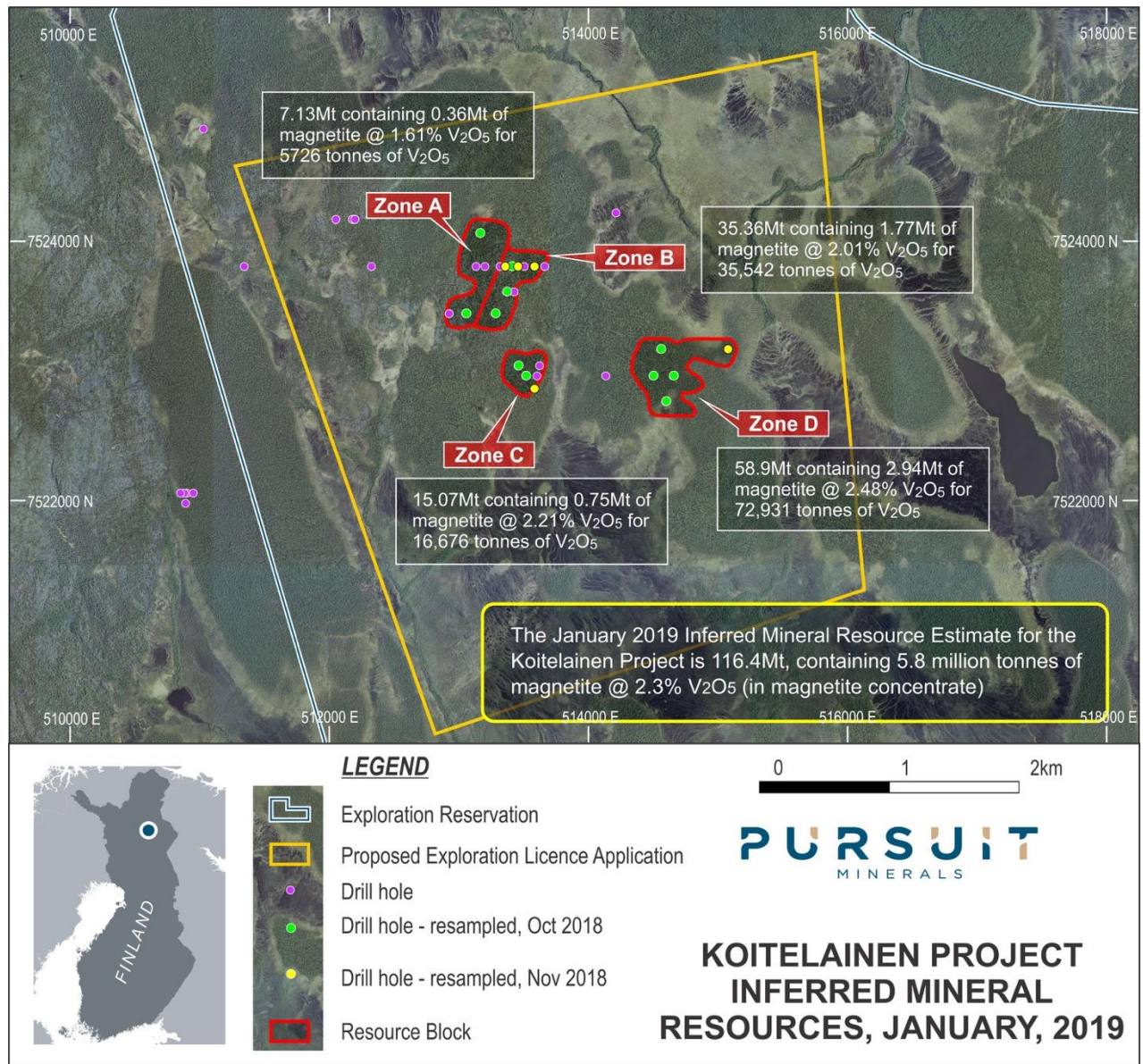
Pre-production capital costs were estimated by benchmarking the Koitelainen Project against similar projects globally from SRK's database of recent project work.

The Koitelainen Scoping will be updated following further metallurgical test work to determine optimal processing parameters and maximise recovery rates. Further increases to mass recoveries and overall vanadium recovery may have additional positive effects on the Koitelainen project economics. The data will be delivered in the first quarter of 2020 and the Koitelainen Scoping Study will be updated soon thereafter.

In addition, an updated Mineral Resource for the Koitelainen Vosa Prospect will be completed in the first quarter of 2020, following completion of the first drilling program conducted by Pursuit on the project.

The Koitelainen Project is located in central Finland, approximately 20km to the west of the small village of Lokka. Access to Lokka is via a tarmac road, 85km east and north from the regional centre of Sodankyla. From Lokka the Koitelainen project area is reached along a public formed dirt road. Sodankyla is the major regional town in closest proximity to the Koitelainen project, has well developed geochemical and engineering services, and is easily reached via the E75 highway.

Figure Three – Koitelainen Project Inferred Mineral Resources



Grid power is accessible at Lokka and also 25km west of Koitelainen where a 220kV powerline runs north from the town of Petkula.

Rail services can be accessed at Kemijarvi, which is located 175km to the south of Lokka, along tarmac roads. Freight rail services from Kemijarvi go west and south to the ports of Kemi, Oulu and Raahen on the Gulf of Bothnia, or west via the Finnish border into Russia.

The Koitelainen Mineral Resource is secured by the Koitelainen A Reservation, which covers an area of 44km² and is valid until 29/3/2020. Only non-ground disturbing work can be conducted on the Koitelainen A Reservation. In October 2018, Pursuit submitted an application for a three-year Exploration Licence to cover the Koitelainen Inferred Mineral Resource. If granted, the Exploration Licence will allow drilling activities to be conducted and the exploration licence will be valid for three years.

The Koitelainen Reservation A is located within a Natura2000 region. In order for the Koitelainen Exploration Licence to be granted a Natura2000 environmental impact assessment had to be completed. This report was submitted to the relevant Finnish government authorities (TUKES and ELY Centre) in April 2019, who have 6 months to review the report and determine any additional environmental requirements upon grant of the Exploration Licence. Pursuit has reviewed the environmental conditions attached to existing Exploration Licences, in close proximity to the Koitelainen Project, and considers that these conditions (namely drilling must be completed during the winter time when the ground is frozen and there is snow on the ground), will not be a major impediment to the continued assessment of the Koitelainen Project. Upon grant of the Exploration Licence, Pursuit will not require further approvals before drilling.

Since commencing work in Finland in 2018, Pursuit has maintained regular contact with the Finnish Government department (TUKES) responsible for granting mineral licences, as well as the ELY Centre which has oversight of all environmental issues in Finnish Lapland. The company sought regular feedback from ELY Centre and TUKES as it completed the Natura2000 assessment report. In addition, Pursuit has engaged regularly with the landowner for the Koitelainen area, which is the Finnish government company Metsähallitus. To date, Pursuit's plans have been well received, as, like their Swedish counterparts, the Finnish government is encouraging the development of a vanadium mining and processing industry.

As part of the economic assessment of the Project, a series of sensitivity analyses was undertaken to assess the effect of fluctuations in mass recoveries, metal pricing, capital costs and operating costs. The results indicated that the Project is most sensitive to metal pricing and mass recoveries.

Taking into consideration the inclusion of Inferred Resources, uncertainty over future pricing environments and the likely variability in material assumptions supporting the Study, the Company has taken a conservative approach with the inputs to the study and the disclosure of results. Considering the above and the guidance provided by ASX Guidance Note 31, the Company is unable to report production targets or financial metrics such as internal rates of return, net present values or net cash flows at this time.

However, the Board of Pursuit is sufficiently confident in the results of the Koitelainen Scoping Study to commence planning for the drilling program to begin in December 2019 and, following the

completion of drilling, to complete the metallurgical test work program and update the Scoping Study economic model.

The conclusion of the Airijoki and Koitelainen Scoping Studies represents major milestones achieved for Pursuit in a very short period since commencing work on the Company's vanadium strategy in 2018. The Scoping Studies confirm the potential of the vanadium portfolio to deliver significant value for shareholders. The ongoing metallurgical test work programs for both Airijoki and Koitelainen have delivered excellent results to date and further metallurgical test work has the potential to further improve already very positive project economics. Pursuit has commenced engagement with potential strategic partners with the ability to partner with Pursuit in the next stages of development of both projects, commencing with the DFS infill drilling program at Airijoki scheduled for September.

About Pursuit Minerals

Pursuit Minerals (ASX:PUR) listed on the ASX in August 2017 following the completion of acquisition of a portfolio of projects from Teck Australia Pty Ltd, which remains Pursuit's largest shareholder. Led by a Board and Management team with a wealth of experience from all sides of minerals transactions, Pursuit Minerals understands how to generate and capture the full value of minerals resource projects. From local issues to global dynamics, Pursuit Minerals knows how to navigate project development and deliver returns to shareholders and broader stakeholders.

Pursuit's project portfolio is focussed on the emerging Energy Metal, vanadium. In 2018, through compilation and interpretation of historical data, Pursuit applied for and was subsequently granted Exploration Tenements in Sweden and Project Reservations in Finland, covering projects with historical deposits of vanadium and extensive confirmed areas of vanadium mineralisation. Finland has in the past produced up to 10% of the world's vanadium and is currently rated the number one jurisdiction globally for developing mineral projects. Sweden has a long mining history and culture and was the second country in the world where vanadium was recognised as a metal. With its Sweden and Finland projects very well positioned to take advantage of Scandinavia's world-class infrastructure, cost effective power and stable legislative frameworks, Pursuit is looking to accelerate assessment and potential development of its quality vanadium project portfolio.

With Europe rapidly transforming its energy grid to renewable energy, which will require large increases in battery storage, Pursuit's projects are well placed to participate in the energy revolution underway in the region.

For more information about Pursuit Minerals and its projects, visit:

www.pursuitminerals.com.au

Competent Person's Statement

Statements contained in this announcement relating to exploration results, and results of the Koitelainen and Airijoki Scoping Studies are based on, and fairly represents, information and supporting documentation prepared by Mr. Jeremy Read, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 224610. Mr. Read is a full-time employee of the Company and has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Read consents to the use of this information in this announcement in the form and context in which it appears.

Statements contained in this announcement relating to the Koitelainen Vosa Prospect Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a

member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at the Koitelainen Vosa Prospect. Mr Grove has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Grove consents to the use of this information in this announcement in the form and context in which it appears.

Statements contained in this announcement relating to the Airijoki Project Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at Airijoki. Mr Grove has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Grove consents to the use of this information in this announcement in the form and context in which it appears.

Forward Looking Statements

Disclaimer: Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.